

BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/143

31 July 1961

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020015-3

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020015-3

~~SECRET~~

Summary of Events*
14-27 July 1961

Cuba recently announced that a nonferrous metals foundry equipped with machinery from Czechoslovakia was to be dedicated on 26 July. This plant is the first in Cuba known to have been completed with Bloc assistance. The Bloc also is giving support to Cuba's program to increase the country's electrical generating capacity. Two Czechoslovak diesel generating plants have been set up, and mobile electric power-plants are expected to arrive soon from the USSR. Hungary has agreed to provide three glass factories. Housing is now being constructed for foreign technicians and officials in Cuba.

A number of contracts for development projects and project studies in Iraq have been obtained by the Soviet Bloc in recent months. Iraq's economic and planning board has agreed in principle to Soviet studies and proposals for a glass factory at Ramadi; for a sulfur recovery plant; and for a workshop to repair Soviet machinery, equipment, and instruments used in aid projects.

The protocol to the Soviet-Indonesian arms agreement that was signed in Moscow on 10 June provides for an increase of \$75 million (making a total of \$325 million) in the value of military items listed in the January agreement as amended. Added items of equipment include 15 tracked amphibian landing craft and surface-to-air missiles and launchers to equip 10 battalions.

In an aggressive interview with the Thai Prime Minister on 12 July the Soviet Ambassador in Bangkok demanded that Thailand accept Soviet economic aid or face the consequences. The following day the Prime Minister announced that Thailand would accept Soviet assistance if there were no strings attached. It is expected, however, that any decision will be deferred until the return of the Soviet Ambassador to Bangkok.

* An unclassified table summarizing Bloc economic credits and grants to underdeveloped countries, 1 January 1954 - 30 June 1961, is included in this issue on p. 4.

~~SECRET~~

SECRET

CONTENTS

	<u>Page</u>
I. Latin America	1
Recent Developments in Bloc Technical Assistance to Cuba	1
II. Middle East	2
Soviet Aid Program in Iraq	2
III. Asia	3
A. Protocol to Recent Soviet-Indonesian Arms Agreement	3
B. Soviet Pressure on Thailand to Accept Aid	3

Table

Sino-Soviet Bloc Economic Credits and Grants Extended to Underdeveloped Countries of the Free World, 1 January 1954 - 30 June 1961	4
----------------------------------------------------------------------------------------------------------------------------------------------------	---

SECRET

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020015-3

Next 2 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700020015-3

UNCLASSIFIED

Sino-Soviet Bloc Economic Credits and Grants
 Extended to Underdeveloped Countries of the Free World a/*
 1 January 1954 - 30 June 1961

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Credits</u>	<u>Grants</u>
Total	<u>3,991</u>	<u>3,854</u>	<u>137</u>
<u>Latin America</u>	<u>352</u>	<u>352</u>	<u>0</u>
Argentina	104	104	0
Brazil	4	4	0
Cuba	245	245	0
<u>Middle East</u>	<u>1,345</u>	<u>1,336</u>	<u>9</u>
Afghanistan	217 <u>b</u> /	217 <u>b</u> /	0
Iran	6	6	0
Iraq	216	216	0
Pakistan	33	30	3
Turkey	17	17	0
UAR -- Egypt	633	628	5
UAR -- Syria	179	179	0
Yemen	44	43	1
<u>Africa</u>	<u>438</u>	<u>426</u>	<u>12</u>
Ethiopia	114	112	2
Ghana	88	88	0
Guinea	113	104	9
Mali	57	57	0
Somalia	58	57	1
Tunisia	8	8	0

* Footnotes for the table follow on p. 5.

UNCLASSIFIED

UNCLASSIFIED

Sino-Soviet Bloc Economic Credits and Grants
Extended to Underdeveloped Countries of the Free World a/
1 January 1954 - 30 June 1961
(Continued)

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Credits</u>	<u>Grants</u>
<u>Asia</u>	<u>1,740</u>	<u>1,624</u>	<u>116</u>
Burma	96	96	0
Cambodia	55	0	55
Ceylon	58	42	16
India	946	944	2
Indonesia	544	542	2
Nepal	41	0	41
<u>Europe</u>	<u>116</u>	<u>116</u>	<u>0</u>
Iceland	5	5	0
Yugoslavia	111 <u>c/</u>	111 <u>c/</u>	0

- a. Because of rounding, figures may not add to totals.
b. Including some grant aid, but a breakdown is not possible.
c. Not including about \$353 million in credits extended in 1956 and subsequently either canceled or allowed to expire.